

CITY OF YATES CENTER, KANSAS

**FINANCIAL STATEMENT
AND
INDEPENDENT AUDITOR'S REPORT**

December 31, 2019

City of Yates Center, Kansas

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Year ended December 31, 2019

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INDEPENDENT AUDITOR'S REPORT

City Commissioners
City of Yates Center
Yates Center, Kansas

Report on Financial Statements

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances of the City of Yates Center, Kansas and related municipal entities, as of and for the year ended December 31, 2019 and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note C to meet the financial reporting requirements of the State of Kansas; this includes determining that the regulatory basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit and Accounting Guide*. Those standards require we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinions

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note C of the financial statement, the financial statement is prepared by the City of Yates Center, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note C and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis of Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the City of Yates Center, Kansas as of December 31, 2019 or changes in financial position and cash flows thereof for the year then ended.

Opinion on Regulatory Basis of Accounting

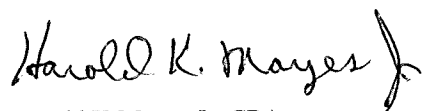
In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balances of the City of Yates Center, Kansas as of December 31, 2019, and the aggregate receipts and expenditures for the year then ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note C.

Other Matters***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditure – actual and budget, individual fund schedules of regulatory basis receipts and expenditures – actual and budget, schedule of regulatory basis receipts and expenditures – agency funds (Schedules 1, 2, and 3 as listed in the table of contents) are presented for analysis and are not a required part of the basic financial statement, however are required to be presented under the provisions of the *Kansas Municipal Audit and Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statement. The information has been subjected to the auditing procedures applied in the audit of the basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statement or to the basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statement as a whole, on the basis of accounting described in Note C.

Prior Year Comparative

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of City of Yates Center as of and for the year ended December 31, 2018 (not presented herein), and have issued our report dated April 8, 2019, which contained an unmodified opinion on the basic financial statement. The 2018 basic financial statements and accompanying report are not presented herein, but available in electronic form from the web site of the Kansas Department of Administration at the following link <http://www.admin.ks.gov/offices//chief-financial-officer/municipal-services>. The 2019 actual column (2018 comparative information) presented in the individual fund schedules of regulatory basis receipts and expenditures – actual and budget for the year ended December 31, 2019 (Schedule 2 as listed in the table of contents) is presented for purposes of additional analysis and is not a required part of the basic financial statement. Such 2018 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2019 basic financial statement. The 2018 comparative information was subjected to the auditing procedures applied in the audit of the 2018 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2018 basic financial statement or to the basic financial statements itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2018 comparative information is fairly stated in all material respects in relation to the 2018 basic financial statement as a whole, on the basis of accounting described in Note C.



Harold K Mayes Jr. CPA
Agler & Gaeddert, Chartered
Ottawa, Ks
March 14, 2020

City of Yates Center, Kansas

SUMMARY OF CASH RECEIPTS, EXPENDITURES
AND UNENCUMBERED CASH
REGULATORY BASIS
For the Year Ended December 31, 2019

	Beginning Unencumbered Cash	Prior Year Cancelled Encumbrances
Governmental type funds		
General	\$ 190,007	\$ 0
Special Purpose		
Special Highway	229,158	0
Library	0	0
Recreation Commission	3,271	0
Lincoln Park Memorial	14,655	0
Special Law and Emergency Vehicle	382,418	0
Special Parks and Recreation	4,705	0
Municipal Equipment	148,220	0
Multi-year Capital Improvement	156,355	0
Fire Protection Reserve	58,941	0
Ball Field Improvements	15,383	0
Economic Development	65,506	0
Water Rescue	2,891	0
Special Recreational Facilities	81,026	0
Police Department Special Account	2,113	0
Sewer Replacement	87,785	0
Sewer Debt Service	59,536	0
Water Reserve	262,693	0
Business funds		
Waterworks	662,680	0
Sewer	86,707	0
Total primary government	<u>2,514,050</u>	<u>0</u>
Related Municipal Entities		
Carnegie Public Library	143,110	0
Recreation Commission	24,024	0
Total related municipal entities	<u>167,134</u>	<u>0</u>
Total reporting entity (excluding agency funds)	<u>\$ 2,681,184</u>	<u>\$ 0</u>
Composition of ending cash		
Demand deposits		
Girard National Bank - City		\$ 2,693,308
Girard National Bank - Carnegie Public Library		32,199
Girard National Bank - Recreation Commission		3,394
Girard National Bank - Sheriff		455
Time deposits		
Girard National Bank - City		145,567
Girard National Bank - Carnegie Public Library		111,319
Girard National Bank - Recreation Commission		7,367

The accompanying notes are an integral part of this statement.

Statement 1

<u>Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash</u>	<u>Add Encumbrances and Accounts Payable</u>	<u>Ending Cash Balance</u>
\$ 1,041,193	\$ 1,056,232	\$ 174,968	\$ 11,898	\$ 186,866
198,981	251,146	176,993	15,930	192,923
63,063	63,063	0	0	0
23,723	23,665	3,329	0	3,329
0	0	14,655	0	14,655
49,608	0	432,026	0	432,026
139	0	4,844	0	4,844
49,090	25,610	171,700	0	171,700
230,410	91,061	295,704	0	295,704
13,998	9,979	62,960	191	63,151
45,061	29,190	31,254	0	31,254
28,260	39,641	54,125	139	54,264
275	1,179	1,987	0	1,987
56,072	47,810	89,288	30,313	119,601
1	1,659	455	0	455
0	0	87,785	0	87,785
170,400	170,078	59,858	0	59,858
21,504	0	284,197	0	284,197
568,213	544,464	686,429	6,643	693,072
434,001	372,093	148,615	3,425	152,040
<u>2,993,992</u>	<u>2,726,870</u>	<u>2,781,172</u>	<u>68,539</u>	<u>2,849,711</u>
76,083	76,920	142,273	1,300	143,573
20,371	33,634	10,761	0	10,761
<u>96,454</u>	<u>110,554</u>	<u>153,034</u>	<u>1,300</u>	<u>154,334</u>
<u>\$ 3,090,446</u>	<u>\$ 2,837,424</u>	<u>\$ 2,934,206</u>	<u>\$ 69,839</u>	<u>\$ 3,004,045</u>
Certificates of deposit				
Piqua State Bank - City				\$ 20,000
Cash on hand				
City				10
Municipal Court				55
Carnegie Public Library				<u>55</u>
Total cash balance				3,013,729
Agency cash per Schedule 3				<u>(9,684)</u>
Total reporting entity (excluding agency funds)				<u>\$ 3,004,045</u>

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2019

NOTE A. MUNICIPAL REPORTING ENTITY

The City of Yates Center is a municipal corporation governed by an elected mayor and eight-member council. These financial statements present the City and its related municipal entities, entities for which the government is considered financially accountable. Each related municipal entity is reported on a separate line in the summary of cash receipts, expenditures and unencumbered cash to emphasize it is legally separate from the government. Each related municipal entity has a December 31 year-end.

Related Municipal Entities

The Library provides reading and research materials for the residents of the City. The Board members for the Library are appointed by the City Council. Because the Library is not a separate taxing entity by state statutes, the City levies taxes for the Library's operations. The financial data of the Library is reported as a related municipal entity in Schedule 2 of the report.

The Recreation Commission provides recreational facilities and services for the residents of the City. The Board members for the Recreation Commission are appointed by the City Council. The Commission is not a separate taxing entity and therefore the City levies taxes for the Commission's operations. The financial data of the Recreation Commission is reported as a related municipal entity in Schedule 2 of the report.

Autonomous Entity

The Firemen's Relief Association provides insurance and other benefits to firefighters. The Association's Board consists of firefighters elected by popular vote. Kansas statutes provide for funding by assessing a charge on fire insurance premiums paid. The Association is an autonomous entity and therefore its financial data is not included in these financial statements.

Related Organization

The Housing Authority was organized to provide a not-for-profit apartment facility for local elderly residents. The Housing Authority members are appointed by the Mayor with Council approval. The City has no responsibility for any liabilities incurred by the Housing Authority and provides no funding to the Housing Authority. The Housing Authority is not dependent upon the City of Yates Center. For these reasons, the Housing Authority is not considered to be a part of the City's reporting entity and therefore is not included in these financial statements.

NOTE B. REGULATORY BASIS FUND TYPES

The accounts of the City are organized and operated on the basis of funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts. Funds accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The City potentially could have the following type of funds.

General Fund – the chief operating fund. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Funds – used to account for the proceeds of specific tax levies and other specific revenues sources (other than Capital Project and tax levies for long-term debt) that are intended for specific purposes.

Bond and Interest Fund – used to account for the accumulation of resources, including tax levies, transfers from other funds and used to make payments of general long-term debt. Currently bond and interest payments are made through the utility funds and thus the City does not have a bond and interest fund at this time.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2019

NOTE B. REGULATORY BASIS FUND TYPES - continued

Capital Project Fund – used to account for the debt proceeds and other financial resources to be used for acquisition or construction of major capital facilities or equipment. The City does not have any of this type of fund during the year under audit.

Business Fund – funds financed in whole or part by fees charged to users of goods or services (i.e. enterprise and internal service funds etc.).

Trust Fund – funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purpose trust funds, which benefit the municipality reporting entity scholarship funds, etc.). The City does not have any of this type of fund during the year under audit..

Agency Fund – funds used to report assets held by the municipal reporting entity in purely a custodial capacity (payroll clearing fund, municipal court accounts, etc.).

NOTE C. BASIS OF ACCOUNTING

Regulatory Basis of Accounting and departure from Accounting Principles Generally Accepted in the United States of America - The KMAAG regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligations against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt assignment to a fund, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than mentioned above.

City of Yates Center, Kansas has approved a resolution that it is in compliance with K.S.A. 75-1120a (c) waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting.

NOTE D. BUDGETARY INFORMATION

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds, and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper on or before August 5th of the proposed budget and notice of public hearing on the budget.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time. There were no budget amendments for 2019.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2019

NOTE D. BUDGETARY INFORMATION - continued

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

Adjustment for Qualifying Budget Credits – Municipalities may use this line item for any budgeted fund. The adjustment would be a positive amount. All budget adjustments must be authorized by Kansas statutes. Examples include: expenditure of federal grant monies, gifts and donations, and receipts authorized by law to be spent as if they were reimbursed expenses.

All legal annual operating budgets are prepared using the regulatory basis of accounting in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for the following special purpose and business funds:

Lincoln Park Memorial	Municipal Equipment	Police Department Special Account
Water Rescue	Sewer Replacement	Water Reserve

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing board.

NOTE E. CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent available in certificates of deposit and other authorized investments. Earnings from these investments are allocated to designated funds. All investments are stated at cost.

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the bank to pledge securities for deposits in excess of FDIC coverage. The City has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. Government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices. The City rates investments (if any) as noted.

Concentration of credit risk - State statutes place no limit on the amount the City may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The City has no investments other than money markets and certificates of deposit.

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. There were no designated "peak periods" during the year. All bank deposits were legally secured at December 31, 2019.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2019

NOTE E. CASH AND INVESTMENTS - continued

At December 31, 2019, the City's carrying amount of deposits was \$2,859,395 (which includes cash on hand of \$10) and the bank balance was \$2,960,339. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by two banks resulting in a concentration of credit risk. Of the bank balance, \$270,000 was covered by FDIC insurance and \$2,589,395 was collateralized with securities held by the pledging financial institutions' agent in the City's name.

At December 31, 2019, the Carnegie Public Library's carrying amount of deposits was \$143,573 (which excludes petty cash of \$55) and the bank balance was \$143,971. The difference between the carrying amount and the bank balance was outstanding checks and outstanding deposits. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$143,971 was covered by FDIC insurance.

At December 31, 2019, the Recreation Commission's carrying amount of deposits was \$10,761 and the bank balance was \$10,761. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$10,761 was covered by FDIC insurance.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments be adequately secured. The City had no such investments at year end.

NOTE F. LONG-TERM DEBT

<u>Issue</u>	<u>Interest Rates</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Date of Final Maturity</u>
Revolving Loan:				
Kansas Water Pollution Control	3.14%	09/20/2000	\$ 2,738,507	03/01/2023
Kansas Department of Health and Environment	3.47%	06/22/2009	491,624	08/01/2030
Capital Leases:				
Grader	2.75%	10/17/2016	118,129	04/01/2021
Golf Mower		04/03/2017	10,647	04/03/2021
Sewer Replacement	3.50%	07/18/2018	79,310	07/18/2026

Changes in long-term debt for the City of Yates Center for the year ended December 31, 2019, were as follows:

	<u>Balance Beginning of year</u>	<u>Additions</u>	<u>Reductions/ Payments</u>	<u>Balance End of Year</u>	<u>Interest & Service fee Paid</u>
Revolving Loan:					
Kansas Water Pollution Control	\$ 704,320	\$ 0	\$ 147,440	\$ 556,880	\$ 22,637
Kansas Department of Health and Environment	297,973	0	19,995	277,978	11,194
Capital Leases:					
Land	50,156	0	50,156	0	1,220
Grader	70,927	0	23,596	47,331	2,015
Golf Mower	8,651	0	2,662	5,989	0
Sewer Replacement	79,310	0	8,764	70,546	2,814
Sewer Truck	0	103,025	22,196	80,829	258
	<u>\$ 1,211,337</u>	<u>\$ 103,025</u>	<u>\$ 274,809</u>	<u>\$ 1,039,553</u>	<u>\$ 40,138</u>

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2019

NOTE F. LONG-TERM DEBT - continued

Current maturities of long-term debt for the next five years and in five year increments thereafter are as follows:

Year	Revolving Loan		Capital Leases		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 173,246	\$ 25,767	\$ 54,900	\$ 7,389	\$ 228,146	\$ 33,156
2021	179,260	20,211	54,882	5,561	234,142	25,772
2022	185,483	14,462	30,999	3,683	216,482	18,145
2023	106,883	8,513	31,575	2,441	138,458	10,954
2024	24,159	6,385	10,411	1,152	34,570	7,537
2025-2029	135,510	18,558	21,928	1,175	157,438	19,733
2030-2034	30,317	791	0	0	30,317	791
	<u>\$ 834,858</u>	<u>\$ 94,687</u>	<u>\$ 204,695</u>	<u>\$ 21,401</u>	<u>\$ 1,039,553</u>	<u>\$ 116,088</u>

The debt limit per Kansas Statutes is limited to thirty percent of the assessed tangible valuation for exempt farm property, business aircraft and motor vehicles given by the County Appraiser to the County Clerk on June 15 each year. At December 31, 2019, the statutory limit for the City was \$1,836,736 providing a debt margin of \$1,836,736 after removing debt exempt from the limitation.

NOTE G. INTERFUND TRANSFERS

Operating transfers were as follows:

From	To	Statutory Authority	Amount
General	Special Highway	K.S.A. 12-1118	\$ 127,996
General	Special Law and Emergency	K.S.A. 12-1118	34,996
General	Multi-year Capital Improvement	K.S.A. 12-1118	86,158
General	Fire Protection	K.S.A. 12-1118	13,998
General	Ballfield Improvements	K.S.A. 12-1118	10,499
General	Economic Development	K.S.A. 12-1118	27,997
Special Highway	Municipal Equipment	K.S.A. 12-1118	49,090
Water Fund	Water Reserve	K.S.A. 12-1118	20,400
Water Fund	Sewer Fund	K.S.A. 12-1118	48,000
Sewer Fund	Sewer Debt Service	K.S.A. 12-1118	170,400

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARATIONS

Other Post-Employment Benefits: As provided by K.S.A. 12-5040, the City allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the City is subsidizing the retiree's health insurance plan because each participant is charged a level premium regardless of age. However, the cost of this subsidy has not been qualified in this financial statement.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured.

The City has adopted by resolution a salary-reduction flexible benefit plan ("Plan") under Section 125 of the Internal Revenue Service Code. All full-time employees of the City are eligible to participate in the plan beginning the first day of the month following employment.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2019

NOTE H. OTHER LONG-TERM OBLIGATIONS FROM OPEARTIONS - continued

Compensated Absences: The City's policies regarding vacation pay permits employees to accumulate vacation time earned in a twelve month period. Vacation is awarded based upon the number of years worked according to the following time frame: one week vacation after one year, two weeks after two years, three weeks after ten years and four weeks after twenty years. Vacation time may be carried over to the first three months following their employment year. Earned vacation leave shall be paid upon termination.

	Balance January 1, 2019	Net Change	Balance December 31, 2019
Compensated absences			
Vacation leave	\$ 11,998	\$ 5,010	\$ 17,008

The City's policies regarding sick leave permit employees to accumulate sick leave to a maximum of 90 days. Earned sick leave is not paid upon termination. The City also offers a shared sick leave policy whereby employees may donate accumulated sick leave to fellow employees within a given set of qualifications. Compensated absences are paid by the fund from which the employee is normally paid.

NOTE I. DEFINED BENEFIT PENSION PLAN

Plan description. The City participates in the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, et. seq. Kansas law establishes and amends benefit provisions. KPERS issues a publically available financial report that includes financial statements and required supplementary information. KPERS' financial statements are included in its Comprehensive Annual Financial Report which can be found on the KPERS website at www.kpers.org or by writing to KPERS (611 South Kansas, Suite 100, Topeka, KS 66603) or by calling 1-888-275-5737.

Contributions. K.S.A. 74-4919 and K.S.A. 74-49,210 establish the KPERS member-employee contribution rates. KPERS has multiple benefit structures and contribution rates depending on whether the employee is a KPERS 1, KPERS 2 or KPERS 3 member. KPERS 1 members are active and contributing members hired before July 1, 2009. KPERS 2 members were first employed in a covered position on or after July 1, 2009, and KPERS 3 members were first employed in a covered position on or after January 1, 2015. Effective January 1, 2015, Kansas law established the KPERS member-employee contribution rate at 6% of covered salary for KPERS 1, KPERS 2 and KPERS 3 members. Member contributions are withheld by their employer and paid to KPERS according to the provisions of Section 414(h) of the Internal Revenue Code.

State law provides that the employer contribution rates for KPERS 1, KPERS 2, and KPERS 3 be determined based on the results of each annual actuarial valuation. Kansas law sets a limitation on annual increases in the employer contribution rates. The actuarially determined employer contribution rate (not including the 1% contribution rate for the Death and Disability Program) and the statutory contribution rate was 8.89% for the fiscal year ended December 31, 2019. Contributions to the pension plan from the City were \$41,792 for the year ended December 31, 2019.

Net Pension Liability

At December 31, 2019, the City's proportionate share of the collective net pension liability reported by KPERS was \$294,203. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018, which was rolled forward to June 30, 2019. The City's proportion of the net pension liability was based on the ratio of the City's contributions to KPERS, relative to the total employer and non-employer contributions of the local subgroup within KPERS. Since the KMAAG regulatory basis of accounting does not recognize long-term debt, this liability is not reported in these financial statements.

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2019

NOTE I. DEFINED BENEFIT PENSION PLAN - continued

The complete actuarial valuation report including all actuarial assumptions and methods, and the report on the allocation of the KPERS collective net pension liability to all participating employers are publicly available on the website at www.kpers.org or can be obtained as described above.

NOTE J. OTHER POSTEMPLOYMENT BENEFITS – THRU KPERS

Death, Disability, and Other Post-Employment Benefits: As provided by K.S.A. 74-4927, disabled members in the Kansas Public Employees Retirement System (KPERS) receive long-term disability benefits and life insurance benefits. The plan is administered through a trust held by KPERS that is funded to pay annual benefit payments. The employer contribution rate is set at 1% for the year ended December 31, 2019.

NOTE K. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Liabilities related to risks of loss are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. During the last three years, claim settlements have not exceeded insurance coverage.

NOTE L. OTHER INFORMATION

Reimbursed Expenses: The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursement as revenue in the same fund. For purposes of budgetary comparisons, the reimbursements are shown as adjustments for qualifying budget credits.

Compliance with Kansas Statutes: References made herein to the statutes are not intended as interpretations of law, but are offered for consideration of the State Director of Accounts and Reports and interpretation by the legal representative of the municipality.

For December 31, 2019 no statutory violations were noted.

Ad valorem tax revenues: The determination of assessed valuations and the collections of property taxes for all political subdivisions in the State of Kansas is the responsibility of the various counties. The County Appraiser annually determines assessed valuations and the County Clerk spreads the annual assessment on the tax rolls. The County Treasurer is the tax collection agent for all taxing entities within the county. In accordance with Kansas statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. One-half of the property taxes are due December 20th, prior to the fiscal year for which they are budgeted and the second half is due the following May 10th. This procedure eliminates the need to issue tax anticipation notes since funds will be on hand prior to the beginning of each fiscal year. The City Treasurer draws down all available funds from the County Treasurer's office in two-month intervals.

Covenants: As of year ended December 31, 2019 the City had not placed enough funds into the sewer replacement account to comply with debt covenants as follows:

	<u>Actual</u>	<u>Required</u>
Principal and interest account	\$ <u>87,785</u>	\$ <u>146,900</u>

As of year ended December 31, 2019 the City had placed enough funds into the water replacement account to comply with the covenants as follows:

	<u>Actual</u>	<u>Required</u>
Water reserve account	\$ <u>284,197</u>	\$ <u>150,000</u>

City of Yates Center, Kansas

NOTES TO FINANCIAL STATEMENT

December 31, 2019

NOTE M. SUBSEQUENT EVENTS

Subsequent Events: Management evaluated subsequent events through March 14, 2020. The City did not have any events which required disclosure as subsequent events.

REGULATORY BASIS
SUPPLEMENTARY INFORMATION

City of Yates Center, Kansas

Schedule 1

SUMMARY OF EXPENDITURES - ACTUAL AND BUDGET
(Budgeted Funds Only)
REGULATORY BASIS
For the Year Ended December 31, 2019

	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance Over (Under)</u>
Governmental Type Funds					
General	\$ 1,255,483	\$ 0	\$ 1,255,483	\$ 1,056,232	\$ (199,251)
Special Purpose					
Special Highway	332,272	0	332,272	251,146	(81,126)
Library	64,170	8,253	72,423	63,063	(9,360)
Recreational Commission	25,000	3,797	28,797	23,665	(5,132)
Special Law & Emergency Vehicles	422,309	0	422,309	0	(422,309)
Special Parks and Recreation	4,668	0	4,668	0	(4,668)
Multi-year Capital Improvement	162,384	0	162,384	91,061	(71,323)
Fire Protection Reserve	49,355	0	49,355	9,979	(39,376)
Ball Field Improvements	22,778	34,562	57,340	29,190	(28,150)
Economic Development	70,092	0	70,092	39,641	(30,451)
Special Recreational Facilities	87,498	0	87,498	47,810	(39,688)
Sewer Debt Service	229,937	0	229,937	170,078	(59,859)
Business Funds					
Waterworks	865,174	0	865,174	544,464	(320,710)
Sewer	388,032	0	388,032	372,093	(15,939)

See Independent Auditor's Report

City of Yates Center, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance Over (Under)	
	2018 Actual	Actual	Budget		
Cash receipts					
Taxes					
Property	\$ 231,874	\$ 213,238	\$ 277,512	\$	(64,274)
Delinquent	18,762	10,337	2,000		8,337
Motor vehicle	47,053	60,364	47,321		13,043
Commercial vehicle	3,278	3,817	2,777		1,040
Recreational vehicle	526	705	707		(2)
16/20M vehicle	1,131	672	1,661		(989)
Mineral Tax	1	4	0		4
Local sales tax	361,694	373,288	343,000		30,288
County sales tax	91,628	86,091	83,000		3,091
State Assessed	21,871	43,331	0		43,331
Special assessments	675	155	1,000		(845)
Total taxes	778,493	792,002	758,978		33,024
Intergovernmental					
Local alcohol liquor fund	226	138	304		(166)
Licenses and permits					
Utility franchise tax	74,857	65,965	77,000		(11,035)
Other licenses and permits	6,453	6,695	5,200		1,495
Impound fees	604	780	300		480
Charges for services					
Swimming fees	9,248	6,492	9,250		(2,758)
Fines and fees	94,064	102,850	95,000		7,850
Use of money and property					
Interest on idle funds	5,492	15,442	2,500		12,942
Oil production	0	0	300		(300)
Dividends	0	0	12,000		(12,000)
Reimbursed expenses	23,311	46,180	12,000		34,180
Miscellaneous	3,351	4,649	0		4,649
Total cash receipts	996,099	1,041,193	\$ 972,832	\$	68,361
Expenditures					
General government					
General administration					
Salaries	67,895	69,552	\$ 119,000	\$	(49,448)
Contractual services	87,942	107,564	105,000		2,564
Commodities	12,106	11,559	18,500		(6,941)
Capital outlay	17,285	16,935	112,403		(95,468)
Total general administration	185,228	205,610	354,903		(149,293)

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018	Actual	Budget	Variance Over (Under)
	Actual			
Expenditures				
Utility service				
Contractual services	\$ 48,957	\$ 49,450	\$ 57,750	\$ (8,300)
Employee benefits				
Workmen's compensation	19,970	20,122	13,750	6,372
Retirement contributions	37,126	41,792	37,250	4,542
FICA payments	36,750	36,896	43,090	(6,194)
Unemployment contributions	482	491	4,000	(3,509)
Total employee benefits	94,328	99,301	98,090	1,211
Total general government	328,513	354,361	510,743	(156,382)
Public safety				
Fire department				
Salaries	18,736	18,899	23,100	(4,201)
Contractual services	14,859	17,347	16,000	1,347
Commodities	6,288	3,669	10,000	(6,331)
Capital outlay	11,662	2,471	14,500	(12,029)
Total fire department	51,545	42,386	63,600	(21,214)
Law enforcement				
Salaries	214,047	234,022	228,500	5,522
Contractual services	46,965	46,495	57,000	(10,505)
Commodities	16,958	14,588	10,900	3,688
Capital outlay	2,867	1,980	3,640	(1,660)
Total law enforcement	280,837	297,085	300,040	(2,955)
Total public safety	332,382	339,471	363,640	(24,169)
Culture and recreation				
Swimming pool				
Salaries	24,149	17,846	22,000	(4,154)
Contractual services	10,545	13,144	14,500	(1,356)
Commodities	13,809	10,434	17,000	(6,566)
Capital Outlay	0	792	7,200	(6,408)
Total swimming pool	48,503	42,216	60,700	(18,484)

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2a

GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		<u>2019</u>		
	<u>2018</u>			Variance
	Actual	<u>Actual</u>	<u>Budget</u>	Over
				(Under)
Expenditures				
Park department				
Salaries	\$ 5,277	\$ 4,132	\$ 18,900	\$ (14,768)
Contractual services	11,720	11,995	10,000	1,995
Commodities	3,512	2,413	2,500	(87)
Capital outlay	<u>0</u>	<u>0</u>	<u>5,000</u>	<u>(5,000)</u>
Total park department	<u>20,509</u>	<u>18,540</u>	<u>36,400</u>	<u>(17,860)</u>
Operating transfers	<u>357,966</u>	<u>301,644</u>	<u>284,000</u>	<u>17,644</u>
Total expenditures	<u>1,087,873</u>	<u>1,056,232</u>	\$ <u>1,255,483</u>	\$ <u>(199,251)</u>
Receipts over (under) expenditures	(91,774)	(15,039)		
Unencumbered cash, beginning	<u>281,781</u>	<u>190,007</u>		
Unencumbered cash, ending	\$ <u>190,007</u>	\$ <u>174,968</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2b

SPECIAL PURPOSE FUND
SPECIAL HIGHWAY
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over (Under)
Cash receipts				
Intergovernmental	\$ 60,648	\$ 68,895	\$ 60,590	\$ 8,305
Miscellaneous	8,111	895	1,000	(105)
Reimbursed expenses	1,322	1,194	0	1,194
Operating transfers	<u>157,127</u>	<u>127,997</u>	<u>125,600</u>	<u>2,397</u>
Total cash receipts	<u>227,208</u>	<u>198,981</u>	<u>\$ 187,190</u>	<u>\$ 11,791</u>
Expenditures				
Highways and streets				
Personal services	70,437	75,719	\$ 92,300	\$ (16,581)
Contractual services	15,554	21,297	25,000	(3,703)
Commodities	57,802	85,035	110,000	(24,965)
Capital outlay	<u>6,751</u>	<u>20,005</u>	<u>55,882</u>	<u>(35,877)</u>
Total highways and streets	<u>150,544</u>	<u>202,056</u>	<u>283,182</u>	<u>(81,126)</u>
Operating transfers	<u>49,090</u>	<u>49,090</u>	<u>49,090</u>	<u>0</u>
Total expenditures	<u>199,634</u>	<u>251,146</u>	<u>\$ 332,272</u>	<u>\$ (81,126)</u>
Receipts over (under) expenditures	27,574	(52,165)		
Unencumbered cash, beginning	<u>201,584</u>	<u>229,158</u>		
Unencumbered cash, ending	<u>\$ 229,158</u>	<u>\$ 176,993</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2c

SPECIAL PURPOSE FUND
LIBRARY FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 40,204	\$ 40,609	\$ 52,849	\$ (12,240)
Delinquent tax	3,475	1,892	0	1,892
Motor vehicle tax	8,575	11,336	8,947	2,389
Commercial vehicle	594	721	525	196
Recreation vehicle tax	95	131	134	(3)
16/20M Vehicle tax	225	121	314	(193)
Mineral Tax	0	1	0	1
Special Assessments	4,136	0	0	0
State Assessed	3,639	8,252	0	8,252
	<u>60,943</u>	<u>63,063</u>	<u>\$ 62,769</u>	<u>\$ 294</u>
Total cash receipts				
	60,943	63,063	\$ 64,170	\$ (1,107)
Expenditures				
Appropriation	60,943	63,063	64,170	(1,107)
Legal Budget	60,943	63,063	64,170	(1,107)
Adjustment for Qualifying Budget Credits	0	0	8,253	(8,253)
	<u>60,943</u>	<u>63,063</u>	<u>\$ 72,423</u>	<u>\$ (9,360)</u>
Total expenditures				
Receipts over (under) expenditures	0	0		
Unencumbered cash, beginning	0	0		
Unencumbered cash, ending	\$ <u>0</u>	\$ <u>0</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2d

SPECIAL PURPOSE FUND
RECREATION COMMISSION BOARD
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 15,969	\$ 15,087	\$ 19,637	\$ (4,550)
Delinquent tax	1,192	731	0	731
Motor vehicle tax	3,348	4,454	3,553	901
Commercial vehicle	231	286	209	77
Recreation vehicle tax	37	52	53	(1)
16/20M vehicle tax	68	47	125	(78)
Mineral Tax	1	0	0	0
Special Assessments	1,642	0	0	0
State Assessed	1,445	3,066	0	3,066
Donations	800	0	0	0
Reimbursed expenses	3,000	0	0	0
	<u>27,733</u>	<u>23,723</u>	<u>\$ 23,577</u>	<u>\$ 146</u>
Expenditures				
Culture and recreation				
Personal services	16,236	17,220	\$ 23,000	\$ (5,780)
Golf course allocation	2,000	2,000	2,000	0
Miscellaneous	0	4,000	0	4,000
Appropriation	<u>8,073</u>	<u>445</u>	<u>0</u>	<u>445</u>
Legal Budget	26,309	23,665	25,000	(1,335)
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>3,797</u>	<u>(3,797)</u>
	<u>26,309</u>	<u>23,665</u>	<u>\$ 28,797</u>	<u>\$ (5,132)</u>
Receipts over (under) expenditures	1,424	58		
Unencumbered cash, beginning	<u>1,847</u>	<u>3,271</u>		
Unencumbered cash, ending	\$ <u>3,271</u>	\$ <u>3,329</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2e

**SPECIAL PURPOSE FUND
LINCOLN PARK MEMORIAL
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)**

	<u>2018 Actual</u>	<u>2019 Actual</u>
Cash receipts		
Donations	\$ 0	\$ 0
Expenditures		
Culture and recreation		
Miscellaneous	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	0	0
Unencumbered cash, beginning	<u>14,655</u>	<u>14,655</u>
Unencumbered cash, ending	<u><u>\$ 14,655</u></u>	<u><u>\$ 14,655</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2f

SPECIAL PURPOSE FUND
SPECIAL LAW AND EMERGENCY VEHICLES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Property	\$ 9,055	\$ 9,409	\$ 12,244	\$ (2,835)
Delinquent	1,065	439	0	439
Motor vehicle	1,992	2,627	2,071	556
Commercial vehicle	138	167	122	45
Mineral Tax	1	0	0	0
Recreational vehicle	22	30	31	(1)
16/20M vehicle	52	28	73	(45)
Special Assessments	958	0	0	0
State Assessed	843	1,912	0	1,912
Operating transfers	<u>33,909</u>	<u>34,996</u>	<u>32,000</u>	<u>2,996</u>
Total cash receipts	<u>48,035</u>	<u>49,608</u>	<u>\$ 46,541</u>	<u>\$ 3,067</u>
Expenditures				
Public safety				
Capital outlay	<u>20,000</u>	<u>0</u>	<u>\$ 422,309</u>	<u>\$ (422,309)</u>
Total expenditures	<u>20,000</u>	<u>0</u>	<u>\$ 422,309</u>	<u>\$ (422,309)</u>
Receipts over (under) expenditures	28,035	49,608		
Unencumbered cash, beginning	<u>354,383</u>	<u>382,418</u>		
Unencumbered cash, ending	<u>\$ 382,418</u>	<u>\$ 432,026</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2g

SPECIAL PURPOSE FUND
SPECIAL PARKS AND RECREATION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Local alcohol tax	\$ 226	\$ 139	\$ <u>304</u>	\$ <u>(165)</u>
Expenditures				
Other	<u>0</u>	<u>0</u>	\$ <u>4,668</u>	\$ <u>(4,668)</u>
Receipts over (under) expenditures	226	139		
Unencumbered cash, beginning	<u>4,479</u>	<u>4,705</u>		
Unencumbered cash, ending	\$ <u>4,705</u>	\$ <u>4,844</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2h**

SPECIAL PURPOSE FUND
MUNICIPAL EQUIPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Cash receipts		
Operating transfers	\$ 49,090	\$ 49,090
Total cash receipts	49,090	49,090
Expenditures		
General government		
Capital outlay	<u>25,610</u>	<u>25,610</u>
Receipts over (under) expenditures	23,480	23,480
Unencumbered cash, beginning	<u>124,740</u>	<u>148,220</u>
Unencumbered cash, ending	<u>\$ 148,220</u>	<u>\$ 171,700</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2i

SPECIAL PURPOSE FUND
MULTI-YEAR CAPITAL IMPROVEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Taxes				
Delinquent	\$ 460	\$ 31	\$ 0	\$ 31
16/20M vehicle	53	0	0	0
Total taxes	513	31	0	31
Miscellaneous				
Proceeds from sale of prison land	0	143,621	0	143,621
Private pool donations	0	600	0	600
Operating transfers	116,066	86,158	78,400	7,758
Total cash receipts	116,579	230,410	\$ 78,400	\$ 152,010
Expenditures				
General government				
Capital Outlay	21,808	39,685	\$ 102,875	\$ (63,190)
Pool Renovations	0	0	36,000	(36,000)
Bunker Equipment	0	0	10,000	(10,000)
Total general government	21,808	39,685	148,875	(109,190)
Debt service				
Principal	11,993	50,156	12,289	37,867
Interest	1,516	1,220	1,220	0
Total debt service	13,509	51,376	13,509	37,867
Total expenditures	35,317	91,061	\$ 162,384	\$ (71,323)
Receipts over (under) expenditures	81,262	139,349		
Unencumbered cash, beginning	75,093	156,355		
Unencumbered cash, ending	\$ 156,355	\$ 295,704		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2j

SPECIAL PURPOSE FUND
FIRE PROTECTION RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Operating transfers	\$ 13,563	\$ 13,998	\$ 12,800	\$ 1,198
Total cash receipts	<u>13,563</u>	<u>13,998</u>	<u>\$ 12,800</u>	<u>\$ 1,198</u>
Expenditures				
Public Safety				
Contractual	6,935	9,896	\$ 11,336	\$ (1,440)
Capital Outlay (Generator)	6,913	0	33,719	(33,719)
Commodities	<u>129</u>	<u>83</u>	<u>4,300</u>	<u>(4,217)</u>
Total expenditures	<u>13,977</u>	<u>9,979</u>	<u>\$ 49,355</u>	<u>\$ (39,376)</u>
Receipts over (under) expenditures	(414)	4,019		
Unencumbered cash, beginning	<u>59,355</u>	<u>58,941</u>		
Unencumbered cash, ending	\$ <u>58,941</u>	\$ <u>62,960</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2k

SPECIAL PURPOSE FUND
BALL FIELD IMPROVEMENTS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Miscellaneous				
Donations	\$ 966	\$ 30,000	\$ 0	\$ 30,000
Grants	0	4,562	0	4,562
Operating transfers	10,173	10,499	9,600	899
Total receipts	<u>11,139</u>	<u>45,061</u>	<u>\$ 9,600</u>	<u>\$ 5,461</u>
Expenditures				
Special recreational facilities				
Capital Outlay	4,884	29,190	\$ 22,778	\$ 6,412
Legal Budget	4,884	29,190	22,778	6,412
Adjustment for Qualifying Budget Credits	<u>0</u>	<u>0</u>	<u>34,562</u>	<u>(34,562)</u>
Total expenditures	4,884	29,190	<u>\$ 57,340</u>	<u>\$ (28,150)</u>
Receipts over (under) expenditures	6,255	15,871		
Unencumbered cash, beginning	<u>9,128</u>	<u>15,383</u>		
Unencumbered cash, ending	<u>\$ 15,383</u>	<u>\$ 31,254</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 21

SPECIAL PURPOSE FUND
ECONOMIC DEVELOPMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance Over (Under)	
	2018 Actual	Actual	Budget		
Cash receipts					
Miscellaneous	\$ 0	\$ 263	\$ 0	\$ 263	
Operating transfers	<u>27,127</u>	<u>27,997</u>	<u>25,600</u>	<u>2,397</u>	
Total cash receipts	<u>27,127</u>	<u>28,260</u>	<u>\$ 25,600</u>	<u>\$ 2,660</u>	
Expenditures					
General government					
Contractual	1,955	5,000	\$ 5,000	\$ 0	
Property Tax Incentives	59	1,664	3,500	(1,836)	
Chamber allocation	18,922	18,922	18,922	0	
County taxes	479	489	260	229	
Business incentives	780	3,566	9,000	(5,434)	
Community Support	0	0	5,000	(5,000)	
Capital Outlay	<u>10,000</u>	<u>10,000</u>	<u>28,410</u>	<u>(18,410)</u>	
Total expenditures	<u>32,195</u>	<u>39,641</u>	<u>\$ 70,092</u>	<u>\$ (30,451)</u>	
Receipts over (under) expenditures	(5,068)	(11,381)			
Unencumbered cash, beginning	<u>70,574</u>	<u>65,506</u>			
Unencumbered cash, ending	<u>\$ 65,506</u>	<u>\$ 54,125</u>			

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2m**

SPECIAL PURPOSE FUND
WATER RESCUE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Cash receipts		
Miscellaneous	\$ 0	\$ 275
Expenditures		
Public safety		
Contractual Services	146	251
Capital Outlay	<u>684</u>	<u>928</u>
Total expenditures	<u>830</u>	<u>1,179</u>
Receipts over (under) expenditures	(830)	(904)
Unencumbered cash, beginning	<u>3,721</u>	<u>2,891</u>
Unencumbered cash, ending	\$ <u><u>2,891</u></u>	\$ <u><u>1,987</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2n

SPECIAL PURPOSE FUND
SPECIAL RECREATIONAL FACILITIES
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Charges for services	\$ 5,176	\$ 9,235	\$ 4,000	\$ 5,235
Use of money and property	5,702	6,101	4,000	2,101
Miscellaneous	10,672	39,516	17,500	22,016
Donations	1,631	1,220	1,000	220
	<u>23,181</u>	<u>56,072</u>	<u>\$ 26,500</u>	<u>\$ 29,572</u>
Expenditures				
Special recreational facilities				
Contractual services	2,298	3,803	\$ 5,700	\$ (1,897)
Commodities	7,223	8,691	17,500	(8,809)
Capital outlay	49,844	35,316	64,298	(28,982)
	<u>59,365</u>	<u>47,810</u>	<u>\$ 87,498</u>	<u>\$ (39,688)</u>
Receipts over (under) expenditures	(36,184)	8,262		
Unencumbered cash, beginning	<u>117,210</u>	<u>81,026</u>		
Unencumbered cash, ending	\$ <u>81,026</u>	\$ <u>89,288</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2o**

SPECIAL PURPOSE FUND
POLICE DEPARTMENT SPECIAL ACCOUNT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	<u>2018 Actual</u>	<u>2019 Actual</u>
Cash receipts		
Total cash receipts	\$ 4	\$ 1
Expenditures		
Public safety		
Commodities	<u>372</u>	<u>1,659</u>
Receipts over (under) expenditures	(368)	(1,658)
Unencumbered cash, beginning	<u>2,481</u>	<u>2,113</u>
Unencumbered cash, ending	\$ <u><u>2,113</u></u>	\$ <u><u>455</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2p**

SPECIAL PURPOSE FUND
SEWER REPLACEMENT
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	<u>2018 Actual</u>	<u>2019 Actual</u>
Cash receipts		
Loan	\$ 79,310	\$ 0
Operating transfer	<u>11,300</u>	<u>0</u>
Total Cash Receipts	<u>90,610</u>	<u>0</u>
Expenditures		
Contractual	<u>164,625</u>	<u>0</u>
Receipts over (under) expenditures	(74,015)	0
Unencumbered cash, January 1	<u>161,800</u>	<u>87,785</u>
Unencumbered cash, December 31	\$ <u><u>87,785</u></u>	\$ <u><u>87,785</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2g

SPECIAL PURPOSE FUND
SEWER DEBT SERVICE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Operating transfer	\$ 170,400	\$ 170,400	\$ 170,400	\$ 0
Expenditures				
Debt service				
Principal	142,566	147,440	147,441	(1)
Interest	25,482	20,968	20,967	1
Service fee	2,029	1,670	1,670	0
Cash Reserve	0	0	59,859	(59,859)
Total expenditures	<u>170,077</u>	<u>170,078</u>	\$ <u>229,937</u>	\$ <u>(59,859)</u>
Receipts over (under) expenditures	323	322		
Unencumbered cash, January 1	<u>59,213</u>	<u>59,536</u>		
Unencumbered cash, December 31	\$ <u>59,536</u>	\$ <u>59,858</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2r

**SPECIAL PURPOSE FUND
WATER RESERVE
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)**

	<u>2018 Actual</u>	<u>2019 Actual</u>
Cash receipts		
Use of money and property	\$ 659	\$ 1,104
Operating transfer	<u>20,400</u>	<u>20,400</u>
Total cash receipts	<u>21,059</u>	<u>21,504</u>
Expenditures		
Operations		
Contractual services	<u>0</u>	<u>0</u>
Receipts over (under) expenditures	21,059	21,504
Unencumbered cash, January 1	<u>241,634</u>	<u>262,693</u>
Unencumbered cash, December 31	<u><u>\$ 262,693</u></u>	<u><u>\$ 284,197</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2s

BUSINESS FUND
WATERWORKS
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		Variance Over (Under)	
	2018 Actual	Actual	Budget		
Cash receipts					
Charges for services	\$ 566,512	\$ 539,141	\$ 553,984	\$ (14,843)	
Water protection fee	1,032	1,008	900	108	
Use of money and property	21,817	26,344	16,000	10,344	
Reimbursed expenses	3,131	54	5,500	(5,446)	
Sale of Assets	6,000	0	0	0	
Miscellaneous	430	255	350	(95)	
State set-off program	920	1,411	0	1,411	
Total cash receipts	<u>599,842</u>	<u>568,213</u>	<u>\$ 576,734</u>	<u>\$ (8,521)</u>	
Expenditures					
Operations					
Personal services	128,886	133,830	\$ 181,600	\$ (47,770)	
Contractual services	92,079	90,808	82,000	8,808	
Commodities	110,077	215,500	110,000	105,500	
Capital outlay	118,080	4,392	146,986	(142,594)	
Water improvement project	0	0	245,000	(245,000)	
Miscellaneous	500	1,371	0	1,371	
Total operations	<u>449,622</u>	<u>445,901</u>	<u>765,586</u>	<u>(319,685)</u>	
Debt service					
Principal	0	19,995	31,188	(11,193)	
Interest	0	10,168	0	10,168	
Total debt service	<u>0</u>	<u>30,163</u>	<u>31,188</u>	<u>(1,025)</u>	
Operating transfers	<u>68,400</u>	<u>68,400</u>	<u>68,400</u>	<u>0</u>	
Total expenditures	<u>518,022</u>	<u>544,464</u>	<u>\$ 865,174</u>	<u>\$ (320,710)</u>	
Receipts over (under) expenditures	81,820	23,749			
Unencumbered cash, January 1	<u>580,860</u>	<u>662,680</u>			
Unencumbered cash, December 31	<u>\$ 662,680</u>	<u>\$ 686,429</u>			

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2t

BUSINESS FUND
SEWER
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL AND BUDGET
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

		2019		
	2018			Variance
	Actual	Actual	Budget	Over
				(Under)
Cash receipts				
Charges for services	\$ 283,787	\$ 281,131	\$ 340,032	\$ (58,901)
Miscellaneous	550	103,459	0	103,459
Set-off program	920	1,411	0	1,411
Operating transfer	48,000	48,000	48,000	0
Total cash receipts	<u>333,257</u>	<u>434,001</u>	<u>\$ 388,032</u>	<u>\$ 45,969</u>
Expenditures				
Operations				
Contractual services	60,374	53,852	\$ 113,000	\$ (59,148)
Commodities	4,431	4,744	5,000	(256)
Capital outlay	9,819	109,081	99,632	9,449
Total operations	<u>74,624</u>	<u>167,677</u>	<u>217,632</u>	<u>(49,955)</u>
Debt Service				
Principal	0	30,960	0	30,960
Interest	0	3,056	0	3,056
Total debt service	<u>0</u>	<u>34,016</u>	<u>0</u>	<u>34,016</u>
Operating transfers	<u>181,700</u>	<u>170,400</u>	<u>170,400</u>	<u>0</u>
Total expenditures and budget credits	<u>256,324</u>	<u>372,093</u>	<u>\$ 388,032</u>	<u>\$ (15,939)</u>
Receipts over (under) expenditures	76,933	61,908		
Unencumbered cash, January 1	<u>9,774</u>	<u>86,707</u>		
Unencumbered cash, December 31	<u>\$ 86,707</u>	<u>\$ 148,615</u>		

See Independent Auditor's Report.

City of Yates Center, Kansas**Schedule 2u**

RELATED MUNICIPAL ENTITY
CARNEGIE PUBLIC LIBRARY GENERAL FUND
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS

For the Year Ended December 31, 2019

(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	2018		2019
	Actual		Actual
Cash receipts			
Intergovernmental	\$ 72,181	\$	72,981
Fines and forfeitures	1,046		991
Use of money and property	945		1,783
Other Income	395		228
Donations	0		100
	<u>74,567</u>		<u>76,083</u>
Total cash receipts			
Expenditures			
Culture and recreation			
Personal services	56,536		59,092
Contractual	4,745		5,616
Commodities	12,377		12,212
	<u>73,658</u>		<u>76,920</u>
Total expenditures			
Receipts over (under) expenditures	909		(837)
Unencumbered cash, January 1	<u>142,201</u>		<u>143,110</u>
Unencumbered cash, December 31	<u>\$ 143,110</u>	\$	<u>142,273</u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 2v

RELATED MUNICIPAL ENTITY
RECREATION COMMISSION
SCHEDULE OF RECEIPTS AND EXPENDITURES - ACTUAL
REGULATORY BASIS
For the Year Ended December 31, 2019
(With Comparative Actual Totals for the Prior Year Ended December 31, 2018)

	<u>2018</u> <u>Actual</u>	<u>2019</u> <u>Actual</u>
Cash receipts		
Charges for services		
Entry fees	\$ 8,041	\$ 14,174
Concession	5,730	4,646
Miscellaneous	8,074	521
Use of money and property	19	30
Donations	<u>0</u>	<u>1,000</u>
Total cash receipts	<u>21,864</u>	<u>20,371</u>
Expenditures		
Culture and recreation		
Equipment and supply	4,805	17,477
Repairs and maintenance	0	0
Improvements	2,497	1,411
Tournament supplies	3,912	4,893
Miscellaneous	4,737	6,301
Concessions	<u>3,147</u>	<u>3,552</u>
Total expenditures	<u>19,098</u>	<u>33,634</u>
Receipts over (under) expenditures	2,766	(13,263)
Unencumbered cash, January 1	<u>21,258</u>	<u>24,024</u>
Unencumbered cash, December 31	<u><u>\$ 24,024</u></u>	<u><u>\$ 10,761</u></u>

See Independent Auditor's Report.

City of Yates Center, Kansas

Schedule 3

AGENCY FUNDS
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
REGULATORY BASIS
For the Year Ended December 31, 2019

<u>Fund</u>	<u>Cash Balance January 1, 2019</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Cash Balance December 31, 2019</u>
Municipal Court	\$ 0	\$ 111,768	\$ 111,713	\$ 55
Municipal Court Bonds	3,000	1,325	3,000	1,325
Tax Withholding	3,544	109,500	108,145	4,899
Retirement	<u>2,560</u>	<u>67,692</u>	<u>66,847</u>	<u>3,405</u>
Total agency funds	\$ <u>9,104</u>	\$ <u>290,285</u>	\$ <u>289,705</u>	\$ <u>9,684</u>

See Independent Auditor's Report.